

Message Text

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ACTION EB-08

INFO OCT-01 AF-10 ARA-14 EUR-12 ISO-00 AGRE-00 CEA-01

CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15

STR-04 ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01

FEA-01 /120 W

-----103941 292119Z /72

P 292000Z AUG 77

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 3471

INFO AMEMBASSY LONDON

AMEMBASSY SAN SALVADOR

AMEMBASSY NAIROBI

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

UNCLAS BRASILIA 7125

E.O. 11652: N/A

TAGS: EAGR, ETRD, BR

SUBJECT: BRAZILIAN PRESS REACTION TO NEW YORK COFFEE AND
SUGAR EXCHANGE RULES CHANGE

REF: BRASILIA 7092

1. SUMMARY: INITIAL BRAZILIAN PRESS REACTION TO LATEST
NEW YORK COFFEE AND SUGAR EXCHANGE RULES CHANGE TIGHTENING
UP FUTURES TRADING HAS BEEN SURPRISINGLY LIGHT. ONE MAJOR
NEWSPAPER SAW THIS MOVE AS AIMED DIRECTLY AT INTERBRAS WHILE
ANOTHER REPORTED IT STRAIGHT. END SUMMARY.

2. BRAZILIAN PRESS COVERAGE OF THE AUGUST 26 DECISION OF
THE NEW YORK COFFEE AND SUGAR EXCHANGE TO LIMIT COFFEE
FUTURES TRADING TO THOSE CONTRACTS BACKED BY PHYSICAL
COFFEE IN NEW NEW YORK HAS BEEN SURPRISINGLY HIGH SO FAR.
TWO MAJOR NEWSPAPERS CARRIED ARTICLES ON DECISION ON
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AUGUST 27, AND THERE HAS BEEN NO FURTHER PRESS
COVERAGE SINCE THEN.

3. THE ARTICLE IN JORNAL DO BRASIL (RIO)
WAS A DISPASSIONATE DESCRIPTION OF THE EXCHANGE'S
DECISION AND ITS REPERCURSIONS. THIS ARTICLE, IN THE
PAPER'S ECONOMIC SECTION, ALSO INCLUDED A DESCRIPTION

OF TECHNICAL ASPECTS OF COFFEE FUTURES TRADING SUCH AS SQUEEZE AND CORNER CONDITIONS. ONLY PASSING REFERENCE WAS MADE TO INTERBRAS AND COSCAFE.

4. THE COVERAGE IN O ESTADO DE SAO PAULO, ON THE OTHER HAND, WAS SOMEWHAT VITRIOLIC. A FIRST PAGE BOX HEADLINED "NEW YORK VETOES INTERBRAS ACTION" LED TO AN ARTICLE IN THE ECONOMIC SECTION TITLED "NEW YORK MARKET PROHIBITS INTERBRAS FROM BYING COFFEE." THE TEXT OF THE ARTICLE DID STATE, HOWEVER, THAT THE EXCHANGE ACTION APPLIED TO ALL TRADERS, NOT ONLY INTERBRAS. THE ARTICLE CLAIMED THAT BRAZILIAN COFFEE AUTHORITIES VIEW THIS ACTION AS "ANOTHER ABRUPT RULES CHANGE...WITH THE OBJECTIVE OF FORCING DOWN COFFEE PRICES."

5. THE ESTADO ARTICLE ALSO REPORTED THAT REP. VANIK HAD SPOKEN TO ASSISTANT SECRETARY KATZ CONCERNING WHAT THE PAPER DESCRIBED AS VANIK'S INTENTION TO PROPOSE THAT THE US RETALIATE AGAINST BRAZILIAN FOR ITS US COFFEE MARKET MANIPULATIONS. VANIK'S PROPOSAL WAS ALSO COVERED BY JORNAL DO BRAZIL AND OTHER BRAZILIAN PAPERS ON AUGUST 25 AND 26, SOME TYING VANIK'S PROPOSAL TO SECTION 301 OF THE TRADE ACT.
CRIMMINS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, COFFEE
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770312-0401
Format: TEL
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770814/aaaaalgg.tel
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Litigation Codes:
Litigation History:
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Original Classification: UNCLASSIFIED
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Reference: 77 BRASILIA 7092
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Review Date: 08-Dec-2004 12:00:00 am
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TAGS: EAGR, ETRD, SOPN, BR, NEW YORK COFFEE & SUGAR EXCHANGE, INTEBRAS
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